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**In the Supreme Court  
OF THE  
United States**

**OCTOBER TERM, 1986**

**ASAHI METAL INDUSTRY CO., LTD.**  
*Petitioner,*

**VS.**

**SUPERIOR COURT OF CALIFORNIA  
in and for the COUNTY OF SOLANO  
(CHENG SHIN RUBBER INDUSTRIAL CO., LTD.  
REAL PARTY IN INTEREST)  
*Respondent.***

**On Writ of Certiorari  
To the Supreme Court of the  
State of California**

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**PETITIONER'S REPLY BRIEF**

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**PETITIONER'S REPLY BRIEF**

**INTRODUCTION**

Petitioner Asahi submits this Reply Brief to respond to certain arguments of Respondent Cheng Shin and of Amicus California Manufacturers Association and to propose a formulation of the doctrine which should apply in a case such as this, in consonance with the Court's past decisions. We address especially the comparison of "forseeability" with "awareness", the limitations on the Stream of Commerce Doctrine, the legitimate interest of the State in products liability law and the economic and political trade arguments raised especially by Amicus.

Respondent acknowledges that only specific jurisdiction is in question, conceding that the inquiry for the necessary contacts,



ties or relations focuses upon the "relationship among the defendant, the forum and the litigation".<sup>1</sup> Resp. Brief 9. In appraising the arguments of Respondent and Amicus California Manufacturers Association, it is well to keep this test constantly in mind. We deal only with a certain component part alleged to have been produced by Asahi,<sup>2</sup> to have been sold in a foreign transaction and to have proved defective as ultimately installed in a finished product abroad and then used in California. We are concerned with Asahi's expectation and activity in relation to that valve. Arguments and evidence based on activities and transactions not concerned with it are irrelevant.<sup>3</sup>

## ARGUMENT

### I

#### THE "AWARENESS" SHOWN BY THE RECORD HERE DOES NOT EXCEED THE MERE FORESEEABILITY WHICH HAS BEEN HELD INADEQUATE TO FOUND JURISDICTION

The test of *World-Wide Volkswagen v. Woodson* requires an "expectation that [the products] will be purchased by consumers in the forum State." 444 U.S. at 298. In its ordinary meaning an

<sup>1</sup> *Shaffer v. Heitner*, 433 U.S. 186, 204 (1977); *Rush v. Savchuk*, 444 U.S. 320, 327 (1980); *Keeton v. Hustler Magazine, Inc.*, 465 U.S. 770, 775 (1984); *Helicopteros Nacionales de Colombia, S.A. v. Hall*, 466 U.S. 408, 414 (1984).

<sup>2</sup> We do not refer to the valve as an actual Asahi valve because the provenance of the valve identified by Respondent is at least seriously in doubt. Since the filing of the Petition in this Court, it has been examined by an Asahi technician and found to be the product of some other manufacturer.

<sup>3</sup> The alleged presence in California of other valves made by Asahi and reaching that State through other channels, with no evidence of knowledge by Asahi, (Resp. Brief App. 3-7) is far afield from the standard which both Petitioner and Respondent agree is to be applied, to say nothing of the qualifications of the lawyer who has claimed to be able to identify Asahi valves.

expectation is the act of anticipating, awaiting or looking forward to an event regarded as likely to happen.<sup>4</sup> It is far more than the record shows in this case. Mere foreseeability is not enough. 444 U.S. at 295.

The California Supreme Court asserted that an "awareness" that some finished products would go to California, and therefore some components might do so as well, was sufficient. The Court spoke as though the record actually showed that Asahi knew its valves furnished to Cheng Shin would be used in California. It does not. All it shows positively is that Asahi was alleged to be aware at some time, from conversations, that Cheng Shin sold tubes throughout the United States. The extent of the relevant record is this:

In discussions with ASAHI regarding the purchase of valve stem assemblies the fact that my Company sells tubes throughout the world and specifically the United States has been discussed. I am informed and believe that ASAHI was fully aware that valve system assemblies sold to my Company and to others would end up throughout the United States and in California. [Declaration of Whally Chen, Resp. Brief App. A, p. 2; Pet. App. C-10 n.4]

Anything approaching specificity stops with the first sentence and even that fails to state when Asahi learned the information referred to so that it can be related to production of the valve, or even to the occurrence of the casualty. The second is at best a mere conclusory inference, an unwarranted exaggeration of the first, telling us nothing concrete about the knowledge of Asahi or when or how it was gained or the source of the information to the declarant and basis of his belief.

The California Supreme Court took liberty with this record when it said, "Asahi knew that some of the valve assemblies sold to Cheng Shin would be incorporated into tubes sold in California" (Pet. App. C-10); when it referred to "knowledge that they would be placed in tubes and sold in California" (Pet. App. C-

<sup>4</sup> See "expect" and "expectation" in *Webster's Third New International Dictionary* (1981) and *Oxford English Dictionary* (1933).

11); and again, when it said, "Asahi knew that its valve assemblies would be incorporated into tubes sold by Cheng Shin in California" (Pet. App. C-17). If "awareness" is indeed more than foreseeability, that Court could not find such an "awareness" in the record here and it did not, and could not, find when such "awareness" existed.

The attempt to fix the constitutional boundaries of jurisdiction by the "awareness" doctrine of the Respondent and the California Supreme Court would carry us far into the realms of conjecture, procedural impracticality and consequent unfairness. The expectation referred to in *World-Wide Volkswagen v. Woodson*, 444 U.S. at 298, is surely an expectation which must exist when the defendant delivers the offending product into the stream of commerce. The predictability which the court thought due process provided, 444 U.S. at 297, would otherwise be impossible. Yet the California Supreme Court's holding, in effect, makes one subject to jurisdiction everywhere who has present knowledge of another's previously undisclosed placing of a finished product into the stream of commerce, without reference to when or how that knowledge was obtained.

It may perhaps be argued that the question of jurisdiction can be decided by taking evidence, to the full extent necessary, on the issue of whether the defendant's knowledge antedates the production and delivery of the offending product. This approach to jurisdiction has little to commend it, especially where components are involved, and the instant case illustrates the point very well. It would be necessary here to determine: (1) whether the valve was actually manufactured by Asahi at all; (2) when it was manufactured or in what transaction it was delivered to Cheng Shin; and (3) how those events related to the presently unknown dates of the "discussions", which Respondent relies on for Asahi's "awareness". All this carries the court and parties pretty far into a trial of the merits. If the issue of jurisdiction were postponed to the merits, however, jurisdiction might frequently evaporate at the end of trial, only after a considerable injustice to the defendant.

Respondent argues that the reference to "awareness" reflected a greater content of knowledge than mere foreseeability. In

asserting that awareness was knowledge, Respondent overlooks what it was knowledge of. The "awareness" which Respondent's declaration asserted in this case was knowledge that some part of Cheng Shin's vast production was sold and used in the United States. It was not knowledge that Asahi's fraction of the valves used by Cheng Shin, to say nothing of the valve in question, would ever go to any part of the United States, and it was certainly not knowledge that it would go to California in particular. In sharp contrast, the foreseeability that was argued and rejected in *World-Wide Volkswagen v. Woodson* was at least the foreseeability that the car in question would find its way to Oklahoma and cause an injury there. 444 U.S. at 295.

This Court, in *World-Wide Volkswagen v. Woodson*, said that "the mere likelihood that a product will find its way into the forum State" is not sufficient. 444 U.S. at 297. Not even such a "mere likelihood" existed here. On the record here Asahi's awareness was no more at best than an awareness of a possibility. Asahi was not an exclusive supplier to Cheng Shin. Pet. App. B-2-3; Resp. Brief 2. Cheng Shin has not disclosed its total production of Cheng Shin tubes with Asahi valves. A given segment might or might not go to the United States. Of those that did, some might or might not go to California, a State which is claimed to have accounted for only 20% of total U.S. sales. Pet. App. C-2. On these facts it was not likely, but was highly unlikely, that an Asahi valve would find its way into California.

Respondent seeks to distinguish the accident here from the "isolated occurrence" referred to in *World-Wide Volkswagen v. Woodson* by pointing to the presence of a number of Asahi valves in California in contrast to one Audi automobile in Oklahoma. The reference in *World-Wide Volkswagen v. Woodson* was not merely to the presence of an automobile in Oklahoma. There was no discussion of the number of automobiles sold by a large regional distributor which might have passed through Oklahoma. The "isolated occurrence" there was "the fortuitous circumstance that a single Audi automobile . . . happened to suffer an accident while passing through Oklahoma." 444 U.S. at 295. It was comparable to the occurrence in California of the failure of a tire which may have included an Asahi valve.



Pointing out the inadequacy of foreseeability as the test, this Court used several examples. 444 U.S. at 295-96. The Court recognized that "it was no doubt foreseeable" that the settlor of the trust in *Hanson v. Denckla*, 357 U.S. 235 (1958) would move to Florida and exercise a power of appointment there, and "it was surely 'foreseeable' " that the divorced wife in *Kulko v. California Superior Court*, 436 U.S. 84 (1978) would move to California and a minor daughter would live with her. The Court pointed out a very telling example in the form of a hypothetical transaction presented in *Erlanger Mills, Inc. v. Cohoes Fibre Mills, Inc.*, 239 F.2d 502, 507 (4th Cir. 1956), where the case was put that a California retailer who sold a tire for use on a car with Pennsylvania license plates should not be forced to defend in Pennsylvania a claim arising from a blowout there.

A contrast is presented by *Calder v. Jones*, 465 U.S. 783 (1984), where the Court dealt with the jurisdictional objections of a national magazine's editorial employees (a species of component makers) who contended they could not be haled into a California court for a sweeping defamation of a Californian, since they did not control the extensive circulation of the magazine there. In upholding jurisdiction, the Court distinguished *World-Wide Volkswagen v. Woodson* and *Rush v. Savchuk* on the basis that the defendants' intentional actions in *Calder v. Jones* (which were obviously injurious statements) were "expressly aimed at California" and that they knew that the brunt of the injury would be felt there where the subject lived and the magazine had its largest circulation, 465 U.S. at 789-90.

Of the federal appellate cases Respondent relies on (Resp. Brief 16, n.19), three, like the Gray case,<sup>5</sup> involved only interstate transactions.<sup>6</sup> As to such cases, the Court has a special function of

<sup>5</sup> *Gray v. American Radiator & Standard Corp.*, 22 Ill. 2d 432, 176 N.E.2d 761 (1961).

<sup>6</sup> *Coulter v. Sears, Roebuck & Co.*, 426 F.2d 1315 (5th Cir. 1970) (completed product); *Sells v. International Harvester Co.*, 513 F.2d 762 (5th Cir. 1975), *cert. denied*, 242 U.S. 943 (1976) (component); *Bean Dredging Corp. v. Dredge Technology Corp.*, 744 F.2d 1081 (5th Cir. 1984) (component).

ensuring the "orderly administration of the Laws"<sup>7</sup> in the context of the federal system and under "principles of interstate federalism" discussed in *World-Wide Volkswagen v. Woodson*, 444 U.S. at 293-94, by distributing judicial business among "the interstate judicial system's" courts, *World-Wide Volkswagen v. Woodson*, 444 U.S. at 292, all of which lie within our constitutional system and authority. Two cases involved only manufacturers and exporters of finished products, exporting to the United States for widespread marketing through established distributors with whom they were privy.<sup>8</sup> Of the two international cases involving components, both in the Ninth Circuit, one involved bus bodies specially designed and manufactured for use in the forum State.<sup>9</sup> The other involved, not an original part, but a replacement or addition to a vessel, supplied ready for use; and we respectfully doubt the conclusion in that case that, because the piece was installed on a ship, a suit in any port where the ship was likely to call should have been anticipated.<sup>10</sup>

According to Respondent's argument, Cheng Shin controls the exercise of jurisdiction over its suppliers by what it may disclose to them in conversation about its foreign markets. This Court, however, referring to foreseeability, said that the Due Process Clause "gives a degree of predictability to the legal system that allows potential defendants to structure their primary conduct with some minimum assurance as to where that conduct will and will not render them liable to suit." 444 U.S. at 297. How can the component maker enjoy that predictability under the decision of the California Supreme Court and the casual control Respondent

<sup>7</sup> *International Shoe Co. v. Washington*, 326 U.S. 310, 319 (1945).

<sup>8</sup> *Oswalt v. Scripto, Inc.*, 616 F.2d 191 (5th Cir. 1980); *Nelson v. Park Industries, Inc.*, 717 F.2d 1120 (7th Cir. 1983), *cert. denied*, 465 U.S. 1024 (1984).

<sup>9</sup> *Duple Motor Bodies, Ltd. v. Hollingsworth*, 417 F.2d 231 (9th Cir. 1969); *see also* dissenting opinion, 417 F.2d at 236.

<sup>10</sup> *Hedrick v. Daiko Shoji Co.*, 715 F.2d 1355 (9th Cir. 1983). *See Sousa v. Ocean Sunflower Shipping Co.*, 608 F. Supp. 1309 (N.D. Cal. 1984), criticizing, and refusing to follow, the Court of Appeals, for misreading *World-Wide Volkswagen v. Woodson*, *supra*.

would confer on the final manufacturer? Presumably he can either resign himself to being sued in California in any instance or, at very best, assume liability to suit there whenever he fortuitously learns that his purchaser markets some of its products there. It seems hardly possible that all this is the predictability which the Court thought due process should provide or that it is consistent with the reasonable demands of international comity.

## II

### **THE STREAM OF COMMERCE DOCTRINE SHOULD NOT BE INTERPRETED TO CIRCUMVENT THE BASIC REQUIREMENTS OF ANTICIPATION OF SUIT AND PURPOSEFUL ACTIVITY OR THE REASONABLE EXPECTATIONS OF INTERNATIONAL LAW AND COMITY**

On the one hand, Respondent correctly acknowledges the requirement that the defendant should reasonably anticipate being haled into court in California and can anticipate that result when its activities and conduct are such that it "purposely avails itself of the privilege of conducting activities within the forum State". Resp. Brief 11. On the other hand, Respondent asserts that the reasonable anticipation of being haled into court in California may be satisfied "where a corporation delivers its products into the stream of commerce" (Resp. Brief 9-10), ignoring this Court's important qualification that the products must be delivered into the stream of commerce "with the expectation that they will be purchased by consumers in the forum State" 444 U.S. at 298. We submit that this Court arrived at the Stream of Commerce Doctrine from the two very important premises acknowledged by Respondent: (1) reasonable anticipation of being haled into court in the forum State; and (2) purposeful activities within that State. 444 U.S. at 297. Respondent appears however, to urge that the mere introduction of a product into a stream of commerce, which reaches a given State, is itself sufficient to satisfy the requirement of purposeful activity in that State. Resp. Brief 9-10, 18-19.

Respondent says that "Asahi's component part did not come to California by 'chance' ". Resp. Brief 15. If the tire in this case had an Asahi valve, it did indeed come to California by chance. The record shows that Asahi produced only a part of Cheng Shin's valves. Pet. App. B-2-3; Resp. Brief 2. It does not suggest that Asahi had any control over their destinations. The facts of record, as already described above (p. 4), show that, on a basis of numerical probability, the valve would have arrived in California not only by chance but against high odds.

Even if there were a valid statistical probability that an Asahi valve would have appeared in California as the result of being incorporated in a Cheng Shin tube, it would stand both international commerce and common sense on their heads to declare that one who does no more than supply another with a part that other needs to manufacture a usable product is depending on the other to deal for him in the other's foreign markets; that he has engaged in the "utilization of this distribution system"; and that he has "developed, or taken advantage of, a marketing scheme", to insulate himself from jurisdiction in California. Resp. Brief 21.<sup>11</sup>

Respondent's argument comes to rest upon alleged "efforts to indirectly serve" the California market. Resp. Brief 22. Do the "efforts" sufficient to confer jurisdiction require no more than the production of a component and its sale to a maker of usable products known to be sold widely in the world? If so, then this Court's limitation of the Stream of Commerce Doctrine to those who make such "efforts" would be actually meaningless; nearly every foreign producer of components reaching our shores, beginning with ores and fibers, would be embraced by our jurisdiction.

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<sup>11</sup> Against the record here it is extravagant also for Amicus California Manufacturers Association to assert Asahi's "presence" in California in the character of a valve manufactured, sold and delivered in the Far East and to attempt to augment that notion with a claim that the presence "was the result of continuous and systematic activity which gave rise to the liability sued on". Amicus Brief 17.



## III

### THE STATE'S ASSERTED INTEREST IN RESPECT OF PRODUCT LIABILITY FOR COMPONENTS IS SPECIOUS

Respondent argues for a result which will allow forum States to bring their laws and liability standards to bear, *ex post facto*, upon foreign component producers having no actual control of distribution, whenever a so-called "defective" component causes loss in forum State.

The characterization of a "defect" in a component is inherently a relative one. It is obviously necessary to consider what the component will be united with, how the union will be made, in what service the final product will be used and what are the consequences of those facts on the reliability or defectiveness of the component for its intended service.<sup>12</sup> No doubt in the usual case, as in this case, the component manufacturer has no control whatever of the governing relationships and no knowledge of whether, when, or how they might come into existence at some time after he has delivered the component he has been asked for.

The California consumers referred to by respondent (Resp. Brief 23) have rights and remedies against those, both at home and abroad, who actually import and sell there.<sup>13</sup> The California distributors referred to (Resp. Brief 23) are in different situations, not present here, depending on contract relations over which they

<sup>12</sup> The discussion in *Barker v. Lull Engineering Co.*, 20 Cal. 3d 413, 143 Cal. Rptr. 225 (1978) shows how difficult it is to define "defect" in proper relation to intentions and circumstances. *Lee v. Butcher Boy*, 169 Cal. App. 3d 375, 386-87, 215 Cal. Rptr. 195, 200 (1985) illustrates the relevance of proper design and specifications and proper installation of the component by the maker of the finished product.

<sup>13</sup> See, e.g., *daSilveira v. Westphalia Separator Co.*, 248 Cal. App. 2d 789, 793, 57 Cal. Rptr. 62, 65 n.1; *Kasel v. Remington Arms Co.*, 24 Cal. App. 3d 711, 724, 101 Cal. Rptr. 314, 322-23 (1972) (providing a catalog of some of those who may be held liable to the consumer).

have at least some control<sup>14</sup> and which may give rise to jurisdiction for their suits in appropriate cases. There is no contract here between Asahi and any American.

Finally, the claim against Asahi is not, as Respondent contends (Resp. Brief 24), the near equivalent of a California tort case, dependent upon the same evidence. The claim depends instead upon whether Asahi delivered to Cheng Shin what Cheng Shin intended to buy and, if not, whether it is excused by some term of the contract or some conduct of the parties. This would also be true even if the claim were made by an injured plaintiff, since it should be unthinkable that liability would be determined in disregard of the relationship and circumstances in which the component was furnished.<sup>15</sup>

## IV

### THE CHAUVINISTIC ECONOMIC ARGUMENTS IN SUP- PORT OF JURISDICTION ARE MISADDRESSED AND FALLACIOUS WHILE CONSIDERATIONS OF INTER- NATIONAL LAW AND COMITY HAVE BEEN IGNORED

Respondent's argument that the decision here should be affirmed to avoid giving foreign components parts manufacturers a competitive edge is not based on any indication that Asahi is competing with California manufacturers to sell valves to Cheng Shin or to anyone else. We submit, however, that the argument is completely misaddressed to this Court. It requires no citation that we have statutes and regulations imposing, or capable of being used to impose, the restrictions of duties, quotas and embargoes upon foreign products and punishing trade offenses in respect of them. The establishment and implementation of our policies in

<sup>14</sup> See, e.g., *Charles D. Warner & Sons, Inc. v. Seilon, Inc.*, 37 Cal. App. 3d 612, 112 Cal. Rptr. 425 (1976).

<sup>15</sup> The manufacturer's intent as to use of its product, both in future manufacturing and ultimately use, is an element of product liability, implicating the transaction and circumstances in which a component is made and furnished. See, e.g., *Barker v. Lull Engineering Co.*, *supra*, 20 Cal. 3d at 432, 143 Cal. Rptr. at 237; *Lee v. Butcher Boy*, *supra*.

international trade lie in the powers of Congress and the Executive, who actively occupy the field. We do not think this Court has ever licensed the lower courts to make such policy by manipulating jurisdictional principles under the Due Process Clause or has itself set the example of doing so.

The picture Amicus California Manufacturers Association paints (Amicus Brief 3) of the impact of reversal here is an argument *ad terrorem* without foundation. The decision of the California Supreme Court itself represents a line of new departure. There is no indication, however, that the conditions of law and international commerce in the recent past have produced the evils Amicus suggests.

Allowing the decision here to stand, however, would have a widespread and unreasonable impact. It would compel component parts manufacturers around the world to replicate insurance coverage carried at other levels of the commercial chain, if, as is likely, they cannot obtain commercial protection by indemnity agreements from all those, American and foreign, who are closer than they to an American distribution point. It would thereby increase the costs to producers and distributors, reduce the choice available and increase the costs to consumers, probably without more than negligible effect upon the products themselves.

Respondent would have the Court justify the extension of California jurisdiction upon the basis of economic benefit to Asahi from having its valves included in some products sold here. Resp. Brief 17. It is ironic indeed to urge such an extension of power on the basis of the economic benefit to the maker from having a few components it no longer owns or controls carried willy-nilly into a State where it has never set foot, with the consequence of its being sued there for large sums. Here, as in *World-Wide Volkswagen v. Woodson*, 444 U.S. at 299, "whatever marginal revenues [Petitioner] may receive is far too attenuated a contact to justify [California's] exercise of in personam jurisdiction over [it]".

Respondent takes no account at all of the demands of international law and comity and treats the case as though it were a

matter of "interstate federalism",<sup>16</sup> in which only commerce and litigation within our borders were involved, the geographical and cultural scope of the parties concerns were accordingly limited, and the confirmation of jurisdiction in the forum State would settle enforceability in the domicile of the defendant. Far from considering the legitimate interests and views of other nations, Respondent makes an astonishing suggestion of unilateral action by the United States to set international standards. Resp. Brief 28. There is little evidence to support Respondent's assertion that the rest of the Community of Nations look to us to institute governing standards of jurisdiction for the Community and little reason for the Court to arrogate that role to itself.

[I]n establishing bases for jurisdiction in the international sense, a legal system cannot confine its analysis solely to its own ideas of what is just, appropriate and convenient. To a degree it must take into account the views of other communities concerned. Conduct that is overly self-regarding with respect to the taking and exercise of jurisdiction can disturb the international order and produce political, economic and legal reprisals. von Mehren & Trautman, *Jurisdiction to Adjudicate: A Suggested Analysis*, 79 Harv. L. Rev. 1121, 1127 (1966).

## V

### REASONABLE STANDARDS CONSISTENT WITH PAST DECISIONS CAN BE STATED FOR GUIDANCE IN FOREIGN COMPONENT CASES

With the present advantage of argument and authorities from both parties and the amici, we venture to propose the following formulation for "specific jurisdiction"<sup>17</sup> over foreign component manufacturers in products cases, in consonance with due process and standards of international law and comity:

<sup>16</sup> *World-Wide Volkswagen v. Woodson*, *supra*, 444 U.S. at 293.

<sup>17</sup> See *Helicopteros Nacionales de Colombia, S.A. v. Hall*, 466 U.S. at 414 n.8.



Where allegedly defective merchandise has been the source of injury to the owner or others:

1. the forum State does not exceed its powers under the Due Process Clause if it asserts personal jurisdiction over a foreign corporation that delivers component parts into the stream of commerce<sup>18</sup> having designed them for inclusion in finished products for use in the forum State<sup>19</sup> or having purposely directed<sup>20</sup> them toward inclusion in finished products to be sold to consumers in the forum State or in the United States at large with an expectation of their being sold in the forum State;<sup>21</sup>

2. the forum State exceeds its powers if it asserts personal jurisdiction over a foreign supplier,<sup>22</sup> based on delivery of component parts under contract to a purchaser abroad who incorporates them into finished prod-

<sup>18</sup> See *World-Wide Volkswagen v. Woodson*, *supra* 444 U.S. at 297-98.

<sup>19</sup> See *Calder v. Jones*, *supra*, 465 U.S. at 789-90; *Duple Motor Bodies, Ltd. v. Hollingsworth*, *supra*.

<sup>20</sup> See *Keeton v. Hustler Magazine, Inc.*, *supra*, 465 U.S. at 774; *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 85 L. Ed. 2d 528, 541 (1985); *cf.*, *World-Wide Volkswagen v. Woodson*, *supra*, 444 U.S. at 295 ("serve or seek to serve").

<sup>21</sup> See *Calder v. Jones*, *supra*, 465 U.S. at 789-90; *cf.*, *Humble v. Toyota Motor Co. Ltd.*, 727 F.2d 709 (8th Cir. 1984); *Hutson v. Fehr Bros.*, 584 F.2d 833 (8th Cir. 1978), *cert. denied* 439 U.S. 983 (1978).

<sup>22</sup> In this Court contracts made abroad between foreigners have not yet been found to have a sufficient connection with the forum state to support jurisdiction; even in interstate cases at least one party has been domiciled in the forum State where jurisdiction has been upheld. *McGee v. International Life Ins. Co.*, 355 U.S. 220 (1957); *Burger King Corp. v. Rudzewicz*, *supra*.

ucts which it unilaterally<sup>23</sup> exports for ultimate sale in the forum State.<sup>24</sup>

## CONCLUSION

For the foregoing reasons and those stated in our opening Brief we submit that the decision of the Supreme Court of California should be reversed.

Respectfully submitted,

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<sup>23</sup> See *Hanson v. Denckla*, *supra*, 357 U.S. at 253; *Kulko v. California Superior Court*, *supra*, 436 U.S. at 93-94; *World-Wide Volkswagen v. Woodson*, *supra*, 444 U.S. at 298; *Burger King Corp. v. Rudzewicz*, *supra*, 85 L. Ed. 2d at 542.

<sup>24</sup> *Cf.* *Hanson v. Denckla*, *supra* and *Shaffer v. Heitner*, *supra*, with *McGee v. International Life Ins. Co.*, *supra* and *Burger King Corp. v. Rudzewicz*, *supra*, on the insubstantiality of the contract's connection with the forum State.